

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**HOUSE BILL 2081\***

Short Title: Strengthen State MH/DD/SA Reform.

(Public)

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Sponsors: Representatives Insko, England, Justice, Nye (Primary Sponsors); Alexander, Barnhart, Earle, Steen, B. Allen, Bordsen, Brown, Coleman, Culp, Farmer-Butterfield, Fisher, Glazier, Goodwin, Harrison, Lucas, Luebke, McLawhorn, Rapp, Spear, Underhill, Wainwright, Weiss, Womble, and Wray.

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Referred to: Health, if favorable, Appropriations.

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May 18, 2006

A BILL TO BE ENTITLED

AN ACT TO STRENGTHEN STATE LEADERSHIP FOR SYSTEM REFORM OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES AND TO APPROPRIATE FUNDS AS RECOMMENDED BY THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** G.S. 122C-102 reads as rewritten:

**"§ 122C-102. State Plan for Mental Health, Developmental Disabilities, and Substance Abuse Services.**~~Services; system performance measures.~~

(a) Purpose of State Plan. – The Department shall develop and implement a State Plan for Mental Health, Developmental Disabilities, and Substance Abuse Services. The purpose of the State Plan is to provide a strategic template regarding how State and local resources shall be organized and used to provide services. The State Plan shall be issued every three years beginning July 1, 2007. It shall identify specific goals to be achieved by the Department, area authorities, and county programs over a three-year period of time and benchmarks for determining whether progress is being made towards those goals. It shall also identify data that will be used to measure progress towards the specified goals. In order to increase the ability of the State, area authorities, county programs, private providers, and consumers to successfully implement the goals of the State Plan, the Department shall not adopt or implement policies that are inconsistent with the State Plan without first consulting with the Joint Legislative Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services.

(b) Content of State Plan. – The State Plan shall include the following:

- (1) Vision and mission of the State Mental Health, Developmental Disabilities, and Substance Abuse Services system.
- ~~(2) Organizational structure of the Department and the divisions of the Department responsible for managing and monitoring mental health, developmental disabilities, and substance abuse services.~~
- (3) Protection of client rights and consumer involvement in planning and management of system services.
- (4) Provision of services to targeted populations, including criteria for identifying targeted populations.
- (5) Compliance with federal mandates in establishing service priorities in mental health, developmental disabilities, and substance abuse.
- (6) Description of the core services that are available to all individuals in order to improve consumer access to mental health, developmental disabilities, and substance abuse services at the local level.
- (7) Service standards for the mental health, developmental disabilities, and substance abuse services system.
- (8) Implementation of the uniform portal process.
- (9) Strategies and schedules for implementing the service plan, including consultation on Medicaid policy with area and county programs, qualified providers, and others as designated by the Secretary, intersystem collaboration, promotion of best practices, technical assistance, outcome-based monitoring, and evaluation.
- (10) A plan for coordination of the State Plan for Mental Health, Developmental Disabilities, and Substance Abuse Services with the Medicaid State Plan, and NC Health Choice.
- (11) A business plan to demonstrate efficient and effective resource management of the mental health, developmental disabilities, and substance abuse services system, including strategies for accountability for non-Medicaid and Medicaid services.
- (12) Strategies and schedules for implementing a phased in plan to eliminate disparities in the allocation of State funding across county programs and area authorities by January 1, 2007, including methods to identify service gaps and to ensure equitable use of State funds to fill those gaps among all counties.

(c) State Performance Measures. – The State Plan shall also include a mechanism for measuring the State's progress towards increased performance on the following matters: access to services, consumer-focused outcomes, individualized planning and supports, promotion of best practices, quality management systems, system efficiency and effectiveness, and prevention and early intervention. Beginning October 1, 2006, and every six months thereafter, the Secretary shall report to the General Assembly and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, on the State's progress in these performance areas."

**SECTION 1.(b)** The North Carolina Department of Health and Human Services (DHHS) shall review all State Plans for Mental Health, Developmental Disabilities, and Substance Abuse Services, implemented after July 1, 2001, and before the effective date of this act and produce a single document that contains a cumulative statement of all still applicable provisions of those Plans. This cumulative document shall constitute the State Plan until July 1, 2007.

DHHS and the Secretary shall also identify those provisions in G.S. 122C-112.1, prior State Plans, and directives or communications by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services that must be adopted as administrative rules in order to be enforceable and undertake to adopt those rules.

**SECTION 2.** G.S. 122C-112.1(a)(9) reads as rewritten:

**"§ 122C-112.1. Powers and duties of the Secretary.**

(a) The Secretary shall do all of the following:

...

(9) Assist—Provide ongoing and focused technical assistance to area authorities and county programs in the implementation of their administrative and management functions and the establishment and operation of community-based programs. The Secretary shall include in the State Plan a mechanism for monitoring the Department's success in implementing this duty and the progress of area authorities and county programs in achieving these functions."

**SECTION 3.** There is appropriated from the General Fund to the Department of Health and Human Services (DHHS) the sum of one million seven hundred thousand dollars (\$1,700,000) for the 2006-2007 fiscal year to be used to hire one or more independent consultants to undertake the following tasks:

- (1) Assist DHHS with the strategic planning necessary to develop the revised State Plan as required under G.S. 122C-102. The State Plan shall be coordinated with local and regional crisis service plans by area authorities and county programs.
- (2) Study and make recommendations to increase the capacity of DHHS to implement system reform successfully and in a manner that maintains strong management functions by area authorities and county programs at the local level.
- (3) Assist the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to work with area authorities and county programs to:
  - a. Develop and implement five to ten critical performance indicators to be used to hold area authorities and county programs accountable for managing the mental health, developmental disabilities, and substance abuse services system. The performance system indicators shall be implemented no later than six months after the consultant's contract is awarded and in no event later than July 1, 2007.

- b. Standardize the utilization management functions for Medicaid and non-Medicaid services and for the review and approval of person-centered plans.
  - c. Develop area authorities' and county programs' expertise to assume utilization management for Medicaid services. The goal shall be to have a portion of the area authorities and county programs assume that function beginning July 1, 2007 and the remainder to assume the function no later than July 1, 2009.
  - d. Develop a standardized operating procedure for area authorities and county programs.
  - e. Implement other uniform procedures for the management functions of area authorities and county programs.
- (4) Provide technical assistance and oversight to private service providers, area authorities, and county programs to ensure that best practices and new services are being delivered with fidelity to the service definition model.

**SECTION 4.** There is appropriated from the General Fund to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of three hundred thousand dollars (\$300,000) for the 2006-2007 fiscal year to be used for three full-time positions to create a Local Management Entity Strategic Assistance Team (Team). The Team shall assist local management entities develop, implement, and maintain their statutory responsibilities.

**SECTION 5.** This act becomes effective July 1, 2006.